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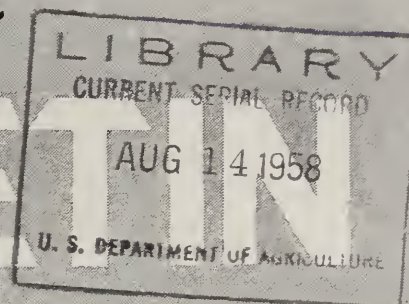
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Cap. 2 THE

Columbus

## Market Administrator's

## BULLETIN



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MARKET ADMINISTRATOR

Published at 79 East State Street, Columbus 15, Ohio

ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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## Milk Production to Increase Further In 1958

Milk production has increased in the last several years mainly because of increased production per cow. Output per cow climbed to 6,162 pounds in 1957, a gain of over 20 percent in the past 10 years. A further increase is likely in 1958 and will offset a possible decline in number of milk cows. Factors in the increased production per cow have been the selection of animals with higher production potential, better management of dairy cows, and use of better roughages. Possibly the most important factor has been increased feeding of concentrates. These factors will continue to have an upward influence on milk production. It is likely, in fact, that the increase in the rate of output per cow in the next decade will be at least as great as in the past 10 years.

Average State production levels in 1957 varied widely around the U. S. average of 6,162 pounds per cow. They ranged from the low of 2,930 pounds in Louisiana to the high of 8,880 pounds in California. Compared with 10 years earlier, production per cow last year gained 4 to 11 percent in Alabama, Tennessee, Wyoming, Montana and Oregon. There were gains of more than 30 percent in Ohio, Indiana, Illinois, Florida, Texas and Arizona. Among regions, the largest gains were in the East North Central and the South Atlantic, and the smallest were in the North Atlantic and South Central.

Because, last year, the decline in num-

ber of farms with milk cows in some States was larger than expected, the Crop Reporting Board has lowered estimates of 1957 milk production to 126.4 billion pounds from the preliminary figure of 127 billion pounds. The estimate for 1956 also was lowered to 125.5 billion pounds from the preliminary estimate of 125.7 billion pounds. With record supplies of feed on hand and the price relationships in prospect, milk production in 1958 likely will gain around 1 billion pounds over the previous record set in 1957. The annual increase of the last 4 years ranged from 0.9 billion pounds (in 1957) to 2.3 billion pounds in 1956. The reduction in support level will not have its full effect on milk output until sometime after 1958. Moreover, dairy farmers' reactions will not be all in one direction. Some, particularly those who have not taken full advantage of new technology, may tend to expand their output and volume of marketing to meet their costs. Others may gradually shift from dairying to other farm enterprises. As a result, for the first year or so after the price reduction, the level of milk output may rise only slightly assuming all other price relationships also remain stable. But adjustments on a longer term basis in all likelihood will lead to a lower level of output than would occur with a higher price level. Any long-term effects of lower prices on milk production, however, probably would tend to offset gains in output from further advances in technology.

## Value of Milk Cows Rises With Downturn in Cattle Numbers

The average value of milk cows during 1957 increased from \$147 to \$176 per head. This was the third consecutive increase from the post-Korean low of \$134 per head in 1955.

The down turn in cattle numbers that began in 1956 has caused a rise in the carcass value of dairy animals. This was a major factor in last year's increase in average values of milk cows. Prices of all cattle usually begin a general advance some time after the peak in numbers has passed. But usually the increase in prices of the lower grades that include dairy culls is relatively greater. In the past year, the price of canners and cutters at Chicago rose about \$3.65 per hundred-weight, or about 36 percent. At \$13.95 in January, it was the highest since the late summer of 1952.

A further slight decline in cattle slaughter is likely in 1958, and the general level of cattle prices probably will be as high or higher than in 1957, if consumer demand is reasonably well maintained. Cattle numbers are expected to decline for a few more years, but at a slower rate and of shorter duration than in previous cycles. Reasons for this are that numbers in the Midwest and Southeast are holding fairly stable, demand continues relatively strong, and there is a very large reserve of feed on hand at the lowest prices in 15 years. Nevertheless, prospects are that prices

(Continued on page four)





*Columbus*

## MARKET FACTS FOR EASY REFERENCE

### PRICE SUMMARY

|                                                      |  |
|------------------------------------------------------|--|
| Producers' Uniform Price (3.5%) .....                |  |
| Producers' Uniform Price (4%) .....                  |  |
| Class I (3.5%) .....                                 |  |
| Class II (3.5%) .....                                |  |
| Class III (3.5%) .....                               |  |
| Class IV (3.5%) .....                                |  |
| Producer Butterfat Differential for each 1/10% ..... |  |

| Feb.<br>1958 | Jan.<br>1958 | Feb.<br>1957 |
|--------------|--------------|--------------|
| \$4.38       | \$4.28       | \$4.44       |
| 4.73         | 4.625        | 4.805        |
| 4.504        | 4.411        | 4.529        |
| 4.104        | 4.011        | 4.129        |
| 4.003        | 3.911        | 4.029        |
| 3.082        | 3.088        | 3.063        |
| 7.0¢         | 6.9¢         | 7.3¢         |

### UTILIZATION SUMMARY

|                                           |  |
|-------------------------------------------|--|
| Percent of Producer Milk in Class I ..... |  |
| " " " B.F. " " I .....                    |  |
| " " " Milk " " II .....                   |  |
| " " " B.F. " " II .....                   |  |
| " " " Milk " " III .....                  |  |
| " " " B.F. " " III .....                  |  |
| " " " Milk " " IV .....                   |  |
| " " " B.F. " " IV .....                   |  |

|      |      |      |
|------|------|------|
| 83.9 | 84.9 | 85.7 |
| 78.6 | 78.1 | 83.5 |
| 9.6  | 7.3  | 8.7  |
| 2.5  | 1.9  | 2.7  |
| 3.1  | 2.9  | 2.9  |
| 2.9  | 2.7  | 3.6  |
| 3.4  | 4.9  | 2.7  |
| 16.0 | 17.3 | 10.2 |

### PRODUCTION SUMMARY

|                                               |  |
|-----------------------------------------------|--|
| Total Pounds of Producer Milk Delivered ..... |  |
| Average Daily Class I Producer Milk .....     |  |
| Total Number of Producers .....               |  |
| Average Daily Production per Producer .....   |  |
| Average Butterfat Test .....                  |  |
| Total Value of Producer Milk at Test .....    |  |
| Income per Producer (7 Day Average) .....     |  |

|                |                |                |
|----------------|----------------|----------------|
| 22,305,961     | 25,086,958     | 21,646,895     |
| 668,156        | 686,821        | 662,552        |
| 1,844          | 1,857          | 1,921          |
| 432            | 436            | 402            |
| 3.86           | 3.86           | 3.80           |
| \$1,030,671.27 | \$1,134,375.22 | \$1,006,656.53 |
| \$139.73       | \$137.94       | \$131.01       |

### GROSS CLASS USE (Pounds)

|                    |  |
|--------------------|--|
| Class I Skim ..... |  |
| " I B.F. ....      |  |
| " I Milk .....     |  |
| " II Skim .....    |  |
| " II B.F. ....     |  |
| " II Milk .....    |  |

|            |            |            |
|------------|------------|------------|
| 18,032,233 | 20,535,623 | 17,865,526 |
| 676,129    | 755,842    | 685,939    |
| 18,708,362 | 21,291,465 | 18,551,465 |
| 2,130,734  | 1,822,850  | 1,868,437  |
| 21,164     | 18,231     | 21,880     |
| 2,151,898  | 1,841,081  | 1,890,317  |

### AVERAGE DAILY SALES (Quarts)

|                  |  |
|------------------|--|
| Milk .....       |  |
| Buttermilk ..... |  |
| Chocolate .....  |  |
| Skim .....       |  |
| Cream .....      |  |

|         |         |         |
|---------|---------|---------|
| 271,186 | 271,947 | 268,948 |
| 5,215   | 5,235   | 5,476   |
| 14,372  | 13,624  | 13,070  |
| 9,503   | 8,976   | 8,327   |
| 7,645   | 7,789   | 7,593   |

**COMPARATIVE STATISTICS ★**

**COLUMBUS MARKETING AREA**

★ **FEB., 1949-58**

| Year      | Receipts from<br>from<br>Producers | Average<br>Butter-<br>fat<br>Test | Percentage of Producer<br>Milk in Each Class |             |              |             | Uniform<br>Producer<br>Price<br>(3.5%) | Class prices at 3.5% |             |              |             | Number<br>of<br>Producers | Daily<br>Average<br>Production |
|-----------|------------------------------------|-----------------------------------|----------------------------------------------|-------------|--------------|-------------|----------------------------------------|----------------------|-------------|--------------|-------------|---------------------------|--------------------------------|
|           |                                    |                                   | Class<br>I                                   | Class<br>II | Class<br>III | Class<br>IV |                                        | Class<br>I           | Class<br>II | Class<br>III | Class<br>IV |                           |                                |
| 1949..... | 14,566,884                         | 4.15                              | 74.1                                         | 7.7         | 13.7         | 4.5         | 4.27                                   | 4.431                | 4.181       | 3.63         | 3.177       | 2,432                     | 214                            |
| 1950..... | 15,457,319                         | 4.13                              | 77.3                                         | 16.4        | 6.3          | ---         | 3.93                                   | 4.056                | 3.656       | 3.08         | ---         | 2,423                     | 228                            |
| 1951..... | 15,420,477                         | 4.14                              | 80.1                                         | 16.8        | 3.1          | ---         | 4.80                                   | 4.942                | 4.542       | 3.451        | ---         | 2,124                     | 259                            |
| 1952..... | 16,151,739                         | 4.07                              | 83.6                                         | 14.7        | 1.7          | ---         | 5.37                                   | 5.454                | 5.054       | 4.278        | ---         | 2,103                     | 265                            |
| 1953..... | 18,732,785                         | 4.03                              | 76.5                                         | 15.2        | 8.3          | ---         | 4.50                                   | 4.662                | 4.262       | 3.586        | ---         | 2,228                     | 300                            |
| 1954..... | 21,690,415                         | 3.96                              | 71.0                                         | 13.0        | 16.0         | ---         | 4.13                                   | 4.34                 | 3.94        | 3.46         | ---         | 2,238                     | 346                            |
| 1955..... | 21,417,170                         | 3.94                              | 77.1                                         | 8.1         | 7.1          | 7.7         | 4.02                                   | 4.23                 | 3.83        | 3.83         | 3.154       | 2,132                     | 359                            |
| 1956..... | 23,832,175                         | 3.89                              | 75.7                                         | 9.8         | 6.9          | 7.6         | 3.91                                   | 4.094                | 3.694       | 3.694        | 3.118       | 2,074                     | 396                            |
| 1957..... | 21,646,895                         | 3.80                              | 85.7                                         | 8.7         | 2.9          | 2.7         | 4.44                                   | 4.529                | 4.129       | 4.029        | 3.063       | 1,921                     | 402                            |
| 1958..... | 22,305,961                         | 3.86                              | 83.9                                         | 9.6         | 3.1          | 3.4         | 4.38                                   | 4.504                | 4.104       | 4.003        | 3.082       | 1,844                     | 432                            |

## Milk Use Pattern Changed Little in the Past Three Years

The Special Milk Program for children begun in late 1954 helped to bring about a significant increase in the average per capita civilian consumption of fluid milk. The rate was 356 pounds per person in 1957, compared with 347 pounds in 1953 and 348 pounds in 1954. The slight increase in per capita use last year, together with population gains, resulted in a rise in total use of fluid milk of about 1.5 billion pounds of milk—moderately more than the increase of 0.9 billion pounds in milk production. Utilization of milk in manufacturing outlets has not changed significantly in the past two years. Use for making butter, cheese and ice cream increased slightly in 1957 over 1956, and some increase occurred in the minor uses. All the other dairy items took less milk in 1957 than in 1956. The net change for manufactured dairy products as a group was downward but was equivalent to only about one-third of the increase for fluid milk and cream. The near-stability in per capita consumption of fluid milk from 1956 to 1957 occurred despite record-high retail prices for milk and the tendency for consumer incomes to level off.

The decline in consumption of butter has been one of the main changes in use of dairy products in the last few years. Its per capita use for 1953 had declined to a record low of 8.5 pounds; it then rose to 9 pounds in the next two years. A large part of this increase, however,

was the result of expanded distribution from CCC stocks. Consumption of creamery butter from commercial sources fluctuated much less. In 1957, this use increased 0.1 pound over 1956. Distribution from CCC stocks dropped 0.3 pound, and a further slight decline occurred in per capita consumption of farm-made butter. Total capita consumption of butter dropped to a record-equalling low in 1957 of 8.5 pounds per person. Consumption of American cheese and evaporated milk also registered a decline from 1956 to 1957 of around 4 percent. Condensed milk use declined even more and last year fell to 1.8 pounds per capita, the lowest in several years. Milk equivalent of all dairy products consumption per capita for 1957 was approximately 695 pounds, a little above 1953, but 1 to 2 percent below the levels of 1954-56.

Among manufactured dairy products, a major downtrend has been in per capita consumption of evaporated milk. Though use increased steadily in the 1920's and 1930's, since the late 1940's it has declined more than 25 percent. The level of 13.2 pounds for 1957 compares with the 1947-49 average of 18.1 pounds. A number of major products made from the nonfat component of milk have been trending upward significantly, particularly nonfat dry milk, cottage cheese and a number of liquid skim milk products. Practically all of these shifts in con-

sumption levels are the result of changes in consumer tastes and preferences. Price relationships as well as price levels have been stable for a number of years. The decline for evaporated milk probably stems from increased use of such fluid products as half-and-half and skim milk products.

## Corn Acreage Allotments for 1958 Set at 38.8 Million Acres

Corn acreage allotments for the 932 counties in the 1958 commercial corn producing area total 38,818,381 acres. This compares with a total allotment of 37,288,889 acres for the 894 counties in the 1957 commercial area. Most of the 4 percent increase in the 1958 allotment over that of 1957 is in the additional 38 counties added to the commercial area.

Because many corn producers in the commercial area are growing corn largely for feeding livestock, farmers have substantially over-planted their corn acreage allotments in most past years. Corn acreage allotments were in effect each year from 1954 through 1957. Total corn acreage was reduced very little in this area in 1954 and 1955. Significant reductions, however, were made in 1956 and 1957. The Soil Bank Acreage Reserve Program apparently was largely responsible for the reduction of 6 million acres from 1955 to 1957.

Farmers complying with their 1958 corn acreage allotments will be eligible for price support and also will be eligible to participate in the Soil Bank Program.



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## Oilseed Meal Supplies Expected To Be About the Same As Last Year

The total tonnage of oilseed meal available for feeding in 1957-58 is expected to be about the same as the record of 10 million tons fed in 1956-57. Total production of the 5 major oilseed meals may be a little smaller than the record output of 10,549,000 tons last year. Cottonseed meal production is now expected to total around 1,950,000 tons in the 1957-58 October-September feeding year, 15 percent less than last year as a result of the reduction in the 1957 cottonseed crop. Linseed meal may be around 15 to 20 percent smaller. These reductions are expected to be partly offset by a prospective increase of around 250,000 tons in soybean meal production. Exports of oilseed meal probably will be below the 531,000 tons exported in 1956-57 and carryover stocks next October 1 may be smaller than at the beginning of the marketing year.

During October-December, production of oilseed meal totaled 3,010,000 tons, 98,000 less than in that quarter of 1956. While soybean meal production was up 67,000 tons, production of cottonseed meal was down 122,000 tons and linseed meal down 55,000 tons. Exports of oilseed meals in October-December were only about half the 226,000 tons exported in that quarter of 1956.

## Market Quotations

February  
1958

|                                                                                                             |         |
|-------------------------------------------------------------------------------------------------------------|---------|
| 12 MIDWEST CONDENSERIES 3.5% per Cwt. ....                                                                  | \$3.110 |
| 5 CONDENSERIES (Cincinnati) 3.5% per Cwt. ....                                                              | 2.9262  |
| 5 CONDENSERIES (North Central Ohio) 3.5% per Cwt. ....                                                      | 2.975   |
| 2 CONDENSERIES (Toledo) 3.5% per Cwt. ....                                                                  | 2.988   |
| 4 CONDENSERIES (Tri-State) 3.5% per Cwt. ....                                                               | 3.062   |
| Evaporated Milk Code Price, 3.5% per Cwt. ....                                                              | 2.834   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati) ....                                              | 3.2154  |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus) ....                                                | 3.204   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton) ....                                                  | 3.228   |
| Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State) ....                                        | 3.102   |
| Average Weekly Cheddars price per lb. ....                                                                  | .3325   |
| Average price per lb. non-fat dry milk solids,<br>roller process delivered Chicago ....                     | .14838  |
| Average price per lb. 92-score butter at Chicago ....                                                       | .59375  |
| Average carlot prices non-fat dry milk solids,<br>roller and spray process, f.o.b. manufacturing plant .... | .1446   |

### Oats Supply About Average

The total supply of oats for the 1957-58 marketing year is now estimated at 1,573 million bushels, 3 percent larger than last year and close to the 1950-54 average. During July-December domestic disappearance of oats totaled 616 million bushels, 87 million less than the heavy disappearance in that period of 1956. Exports of 15 million bushels, including grain equivalent of oatmeal, were down about 4 million. Total stocks of 932 million bushels of oats remaining on hand January 1 were 140 million more than a year earlier. Even after allowing for heavier disappearance in the last half of the marketing year, the carryover this July 1 is expected to be much larger than the 240 million bushels carried over a year earlier.

### Value of Milk Cows

(Continued from page one)

of cull dairy animals and calves will increase further during the next 2 or 3 years. The rise will help maintain the level of gross receipts from the dairy enterprise and will tend to offset the decline in cash receipts from marketings of milk expected this year because of lower average prices than in 1957.

On "typical" dairy farms in Wisconsin for which data are available, the decline in actual cash receipts from 1952 to 1955 was caused as much by the decline in cash receipts from cattle and calves as by reduced receipts from sale of milk products. Improved prices for lower grades of cattle will tend to increase the culling rate which was at a relatively low level from 1953 through 1956, possibly because of the lower prices of cull stock.